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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor
Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying
and Dynamic Rates, and Other Statutory
Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

**COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES
ON MAY 31, 2017 PROPOSED DECISION GRANTING IN PART AND
DENYING IN PART THE JOINT PETITION FOR MODIFICATION
OF DECISION 15-07-001**

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I. INTRODUCTION AND SUMMARY

Pursuant to the Rule 14.3 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Office of Ratepayer Advocates ("ORA") hereby files these comments on the Proposed Decision ("PD") issued on May 31, 2017 in the matter of Rulemaking ("R.") 12-06-013.

ORA supports the PD as written.

II. ORA COMMENTS ON THE PROPOSED DECISION

A. ORA Supports the Proposed Decision

In their December 7, 2016, Joint Petition for Modification of D.15-07-001 ("Petition"), the Investor Owned Utilities ("IOUs") requested that the Commission modify the Decision to "apply a cap on Tier 1 increases only to the extent tier

consolidations occur.”¹ The Petition requested that the Commission “permit any affected IOU to use a Tier 3 advice letter to show why it is reasonable and appropriate to deviate from the rate restrictions [in D.15-07-001].”²

The PD affirms that the Tier 1 cap is an important ratepayer protection, and denies the contention by the IOUs that the Tier 1 cap only applies to tier consolidation. The PD states that “[t]he Tier 1 Cap applies to any step in the glidepath, including steps that do not involve a reduction in or combination of existing rate tiers.” ORA supports this conclusion and agrees with the Commission’s finding that “[t]he purpose of the Tier 1 Cap is to protect low-usage customers from bill impacts resulting from changes to Tier 1 rates resulting from glidepath changes, including both tier consolidation and tier narrowing.”

Further, the PD approves a Tier 3 Advice Letter (“AL”) process for the IOUs to request a glidepath rate change that exceeds the Tier 1 cap. ORA did not oppose this proposal in its January 27, 2017 Response to the Petition to Modify. ORA recommended that any future Tier 3 AL filings made in accordance with this Petition, in addition to the information proposed by the IOUs, should provide information about rate changes over time in a consistent manner. ORA provided a template for IOU provision of this information as an attachment to the Comments.

The PD approves the data requirements suggested by ORA and other intervenor parties, and states:

We approve the data and information requirements suggested by the parties, including ORA’s Excel template, but we direct the requesting IOU

¹ Joint Petition for Modification of D.15-07-001, p. 21.

² *Id.*, p. 13.

to consult with Energy Division and intervenors prior to filing to determine if these data requirements should be modified based on current conditions.³

ORA supports the PD and finds this approach to be reasonable.

Finally, the Petition requested that the Commission delay the implementation of the high usage charge in San Diego Gas & Electric Company's ("SDG&E") service territory. SDG&E made this request as a result of the company's belief that strict application of the glidepath would result in "nonsensical" results for the charge, leaving it lower than the Tier 2 rate. In response, the Commission ordered SDG&E to set its high usage charge in relation to Tier 2 rather than to Tier 1, and noted that SDG&E has filed an Advice Letter to do so. This is a reasonable resolution to the matter and is consistent with the Commission's intent in enacting the high usage charge: "to encourage high usage customers to conserve."⁴

III. CONCLUSION

For the reasons stated above, ORA supports the PD as written.

³ Proposed Decision, p. 19.

⁴ PD, Finding of Fact 17, p. 26.

Respectfully submitted,

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